AUSTIN CITY COUNCIL

AGENDA

Recommendation for Council Action

Austin City Council	**Item ID**	6872	**Agenda Number**	2.
Meeting Date:	6/9/2011	**Department:**	Austin Energy	

Subject

Approve an ordinance authorizing acceptance of $55,000 in grant funds from the American Public Power Association (APPA); amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund (Ordinance No. 20100913-002) to appropriate such grant funds; and authorize execution of a "Demonstration of Energy-Efficient Development Grant Agreement" with APPA for the development of a software tool and user's manual to address power factor through energy efficiency, in an amount not to exceed $55,000. The grant period is from June 10, 2011 to September 30, 2011.

Amount and Source of Funding

Funding is available from the American Public Power Association.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Karl R. Rábago, Vice-President, Distributed Energy Services, 322-6098; Fred Yebra, Director, Energy Efficiency Services, 482-5305.
Boards and Commission Action:	Recommended by the Electric Utility Commission and the Resource Management Commission.
MBE / WBE:	
Related Items:	

Additional Backup Information

The American Public Power Association (APPA) awarded Austin Energy grant funds to develop a spreadsheet based software tool and user's manual to address power factor through energy efficiency. This analytical tool will evaluate energy efficiency measures that can improve the power factor in commercial buildings and provide savings estimates. A power factor of one or unity is ideal for any electric utility company because in cases where a power factor is less than one, they have to supply more current to the user for a given amount of power use. In so doing, the utility incurs more infrastructure costs as well as line losses. Electric utilities, including Austin Energy, typically incorporate higher rates for those customers whose power factor is lower than a predefined threshold.

This project will develop a tool to help Austin Energy and its customers analyze the best approach to address power factor while recommending energy conservation options. This will assist Austin Energy and its customers in developing the most energy efficient solution to address the billing impact of low power factor. Factors contributing to low power factor and how the customer may increase the power factor while saving kilowatts will result in lower utility bills. This tool may be used to provide recommendations to customers as to how to reduce electrical operating costs either through efficiency and improvement of power factor or both.

In addition, the information provided to customers will promote conservation rebates and help Austin Energy achieve its demand side management and energy conservation goals.